

General Information Letter: Allowance of subtraction modification for  
College Savings Bonds.

July 1, 1998

Dear:

This is in response to your letter dated May 22, 1998, addressed to our Individual Adjustment Unit, that was recently redirected to my attention. In your letter, you requested information concerning the taxation of interest attributable to certain municipal bonds. Illinois Department of Revenue ("Department") rules require that the Department issue two types of letter rulings, private letter rulings ("PLR") and general information letters ("GIL"). PLRs are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. GILs do not constitute statements of agency policy that apply, interpret or prescribe the tax law and are not binding on the Department, but PLRs are binding on the Department. For your general information we have enclosed a copy of 2 Ill. Adm. Code Part 1200 regarding rulings and other information issued by the Department.

In your letter you have stated the following:

My broker xxxx xxxxxxxxx xxxx. has told me that the following zero coupon bonds are General Obligation College Savings Bonds and therefore are Illinois Income Tax Exempt:

Description	CUSIP #	Dual Tax Free Interest
Illinois St. GO	452150HD6	67.96

(More bonds listed)

This brings the total line 9 subtractions to the original 9,095.

Please be advised that the Office of Chief Counsel has verified that the CUSIP numbers of the bonds you have listed are indeed exempt from Illinois Income tax. We are forwarding a copy of this letter to the Department's Individual Adjustments Unit with instructions to allow your claimed subtraction with respect to these bonds.

Sincerely,

Jackson E. Donley  
Associate Counsel (Income Tax)